

NASA Headquarters
Washington, DC 20546

H OWI-7410-R001A

April 16, 1999

Aero-Space Technology Strategic Enterprise (HQ/Code R)

Office Work Instruction

Enterprise/IPO Budget Formulation

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VERIFY THAT THIS IS THE CORRECT VERSION BEFORE USE

Responsible Office: Code RB

Subject: Enterprise/IPO Budget Formulation

DOCUMENT HISTORY LOG

<u>Status</u> (Draft/ Baseline/ Revision/ Canceled)	<u>Document</u> <u>Revision</u>	<u>Effective</u> <u>Date</u>	<u>Description</u>
Baseline		1/13/1999	
Revision	A	4/16/1999	Changed heading of "Responsible Organization" column of paragraph 6 to read "Actionee" and revised column entries to better identify who has responsibility for executing each task. Revised paragraph 6 procedure text to better identify criteria for acceptable workmanship and formats of developed materials. Revised paragraph 7 Quality Records table to eliminate dual media versions of quality records. Entries now specify only the medium of the controlled version of the quality record. Revised column heading of Quality Record table to conform to revised HCP 1400-1.

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Approved by: Original signed by Spence M. Armstrong 16 April 99

1. PURPOSE The purpose of this OWI is to document the process used to formulate a) the Enterprise budgets for the Aero-Space Technology Enterprise and b) the IPO budget for it's centers.

2. SCOPE and APPLICABILITY

2.1 This OWI applies to the Enterprise/IPO budgets for the Office of Aero-Space Technology (OAT) including SAT, R&PM, ROS and MS. It includes the activities of Code R divisions in their Lead Center roles, i.e. RB for the Code R HQs budget, RS for the Code R operation budget and RW for the Commercial Technology program.

2.2 This instruction applies to the Office of Aero-Space Technology at NASA Headquarters. It does not include the activities of HQ Code B, although it is designed to interface with the Agency Budget Formulation Process. It also does not include the Budget Formulation activities performed at the Centers, although a few of those activities are depicted to show how they interrelate to HQ activities. It does, however, include the activities of HQ Code R divisions acting in their capacity as Lead Centers, i.e. RB for the HQ Code R budget, RS for the Code R operation budget, and RW for the Commercial Technology program.

3. DEFINITIONS

AA	Associate Administrator
AAP	Advanced Aircraft Program
Agency Budget Call Letter	Annual request for budget requirements issued by Code B
Code B	Office of the Chief Financial Officer, HQs NASA
Code BR	Resources Analysis Division, Office of the Chief Financial Officer, HQs NASA
Budget	New Obligation Authority, or guidelines
CIC	Capital Investment Council
CoF	Construction of Facilities appropriation

Responsible Office: Code RB

Subject: Enterprise/IPO Budget Formulation

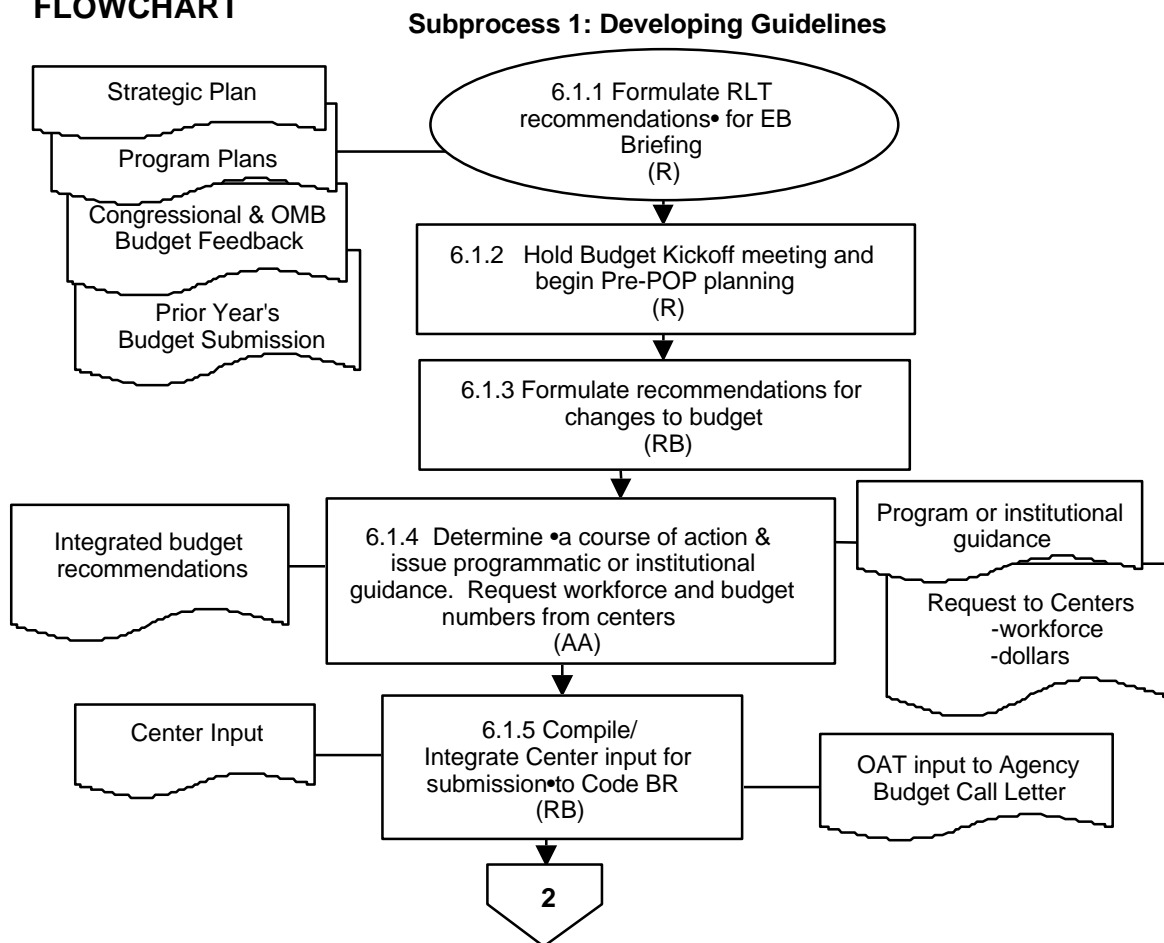
CR	Continuing Resolution
CY	Current Year
DAA	Deputy Associate Administrator
DIR RB	Director of Resource Management Division
EB	Code R Executive Board. Membership includes the AA, DAA, and Center Directors
IPO	Institutional Program Office
IPP	Initial Phasing Plan. Overall performance-against-metrics plan provided by Lead Centers to HQs
NF 918	An Agency workforce summary for out-year budget planning
NHB	NASA Handbook
NPD	NASA Policy Directive
NPG	NASA Policy Guideline
OAT	Office of Aero-Space Technology
PFP	Program Financial Plan
POP	Program Operating Plan
Reclama	Agency response to OMB Pass-back. Includes an impact assessment of OMB's proposed budget decisions
R&PM	Research & Program Management appropriation
ROS	Research Operations Support (funding type)
RLT	OAT Strategic Enterprise (Code R/HQs) Leadership Team, including the AA, DAA, & Division Directors (RB, RG, RP, RS, & RW)
SAT	Science, Aeronautics & Technology appropriation
SMC	Senior Management Council

Responsible Office: Code RB

Subject: Enterprise/IPO Budget Formulation

4. **REFERENCE DOCUMENTS**
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|--------------------------------------|--|
| NPD 1000.1 | NASA Strategic Plan |
| NPG 1000.2 | NASA Strategic Management Handbook |
| NPD 7120.4A | Program/Project Management |
| NPG 7120.5A | NASA Program and Project Management Processes and Requirements |
| NPD 8730.3 | NASA Quality Management System Policy (ISO 9000) |
| NHB 1101.3 | The NASA Organization |
| Aero-Space Technology Strategic Plan | |
| Full Cost Implementation Guide | |
- The correct version of the NPD, NPG, NHB documents cited above may be obtained from the NODIS Directives Library at <http://nodis.hq.nasa.gov/Library/processes.html>

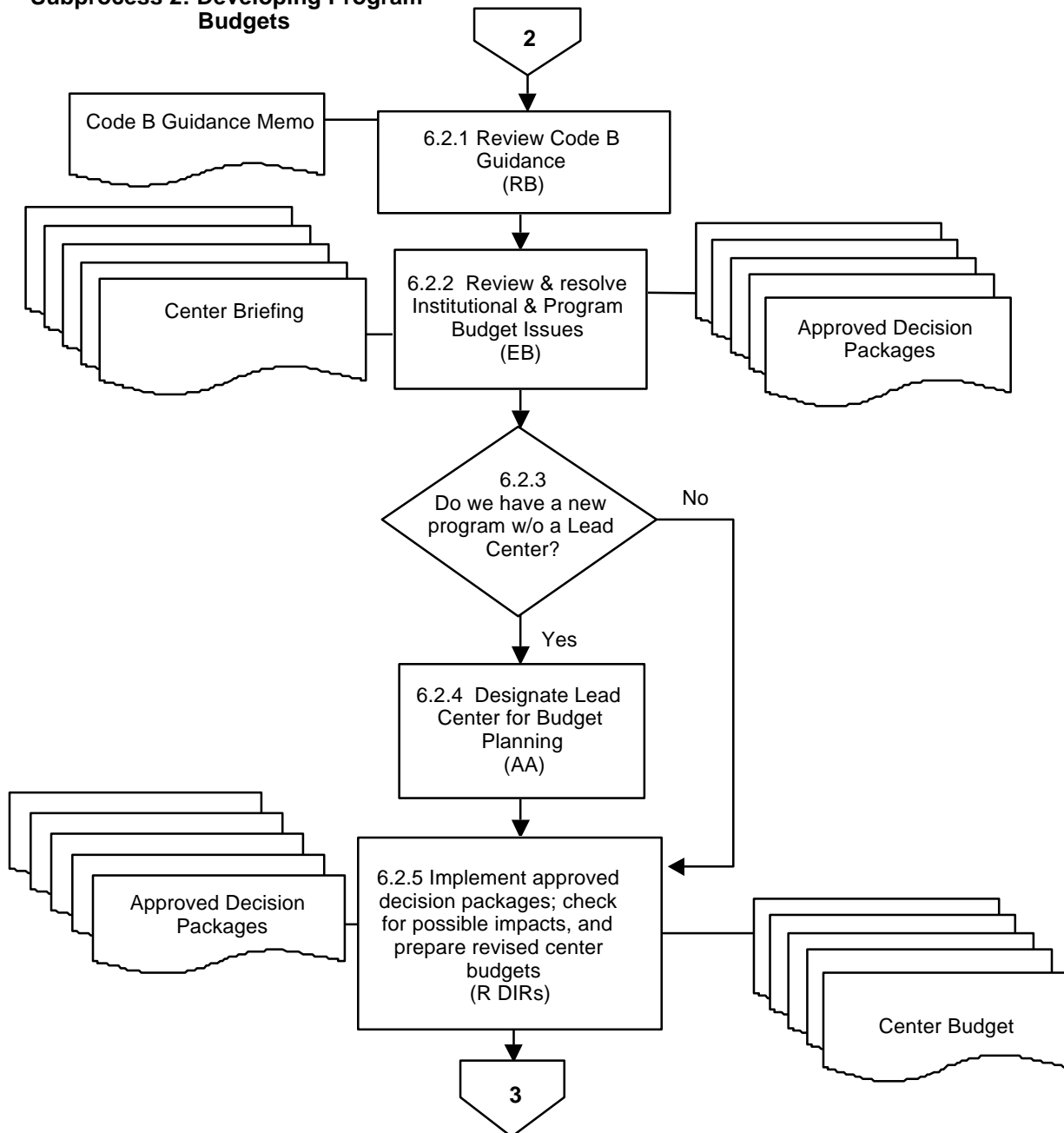
5. **FLOWCHART**



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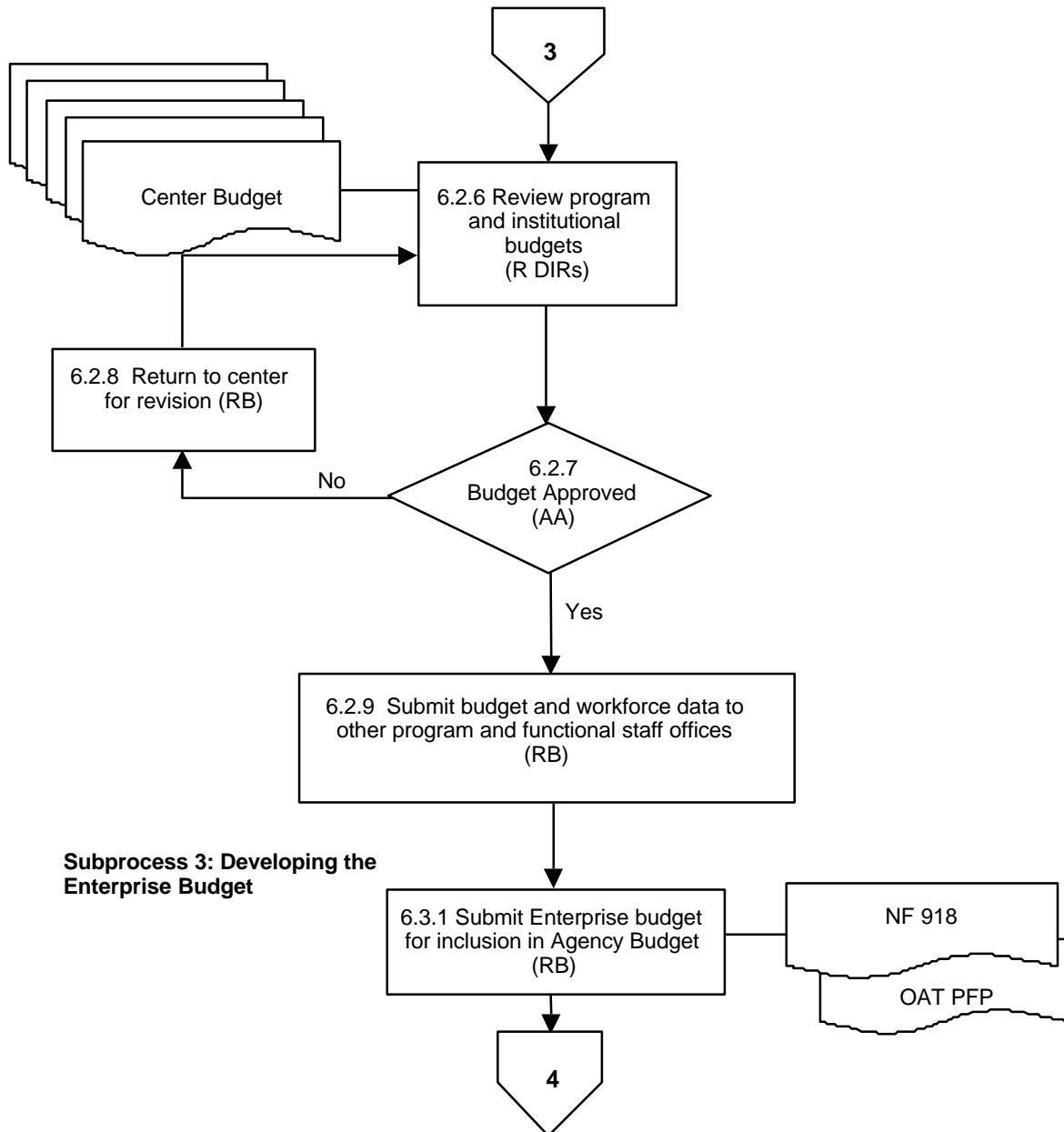
Subject: Enterprise/IPO Budget Formulation

Subprocess 2: Developing Program Budgets



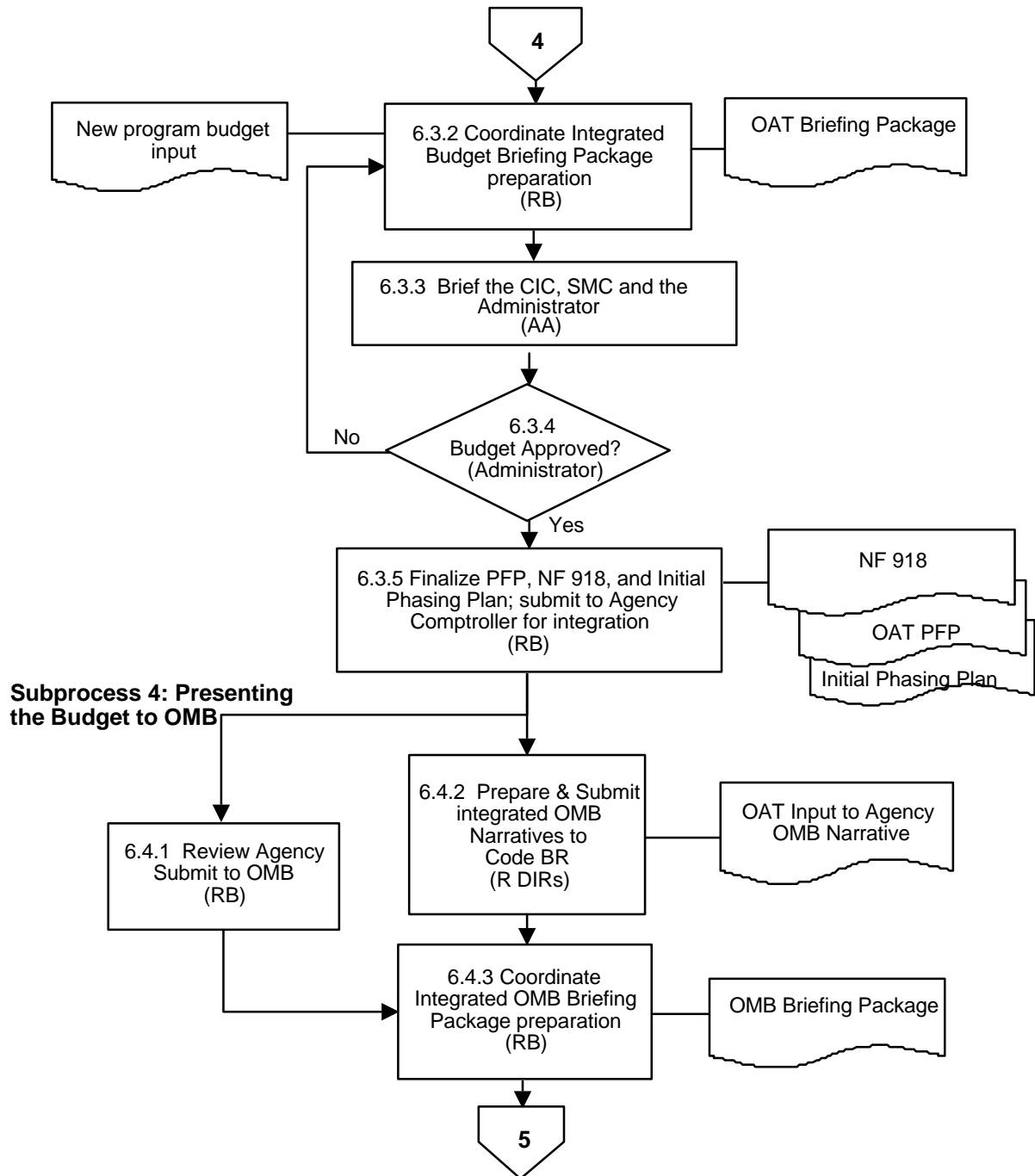
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Subject: Enterprise/IPO Budget Formulation



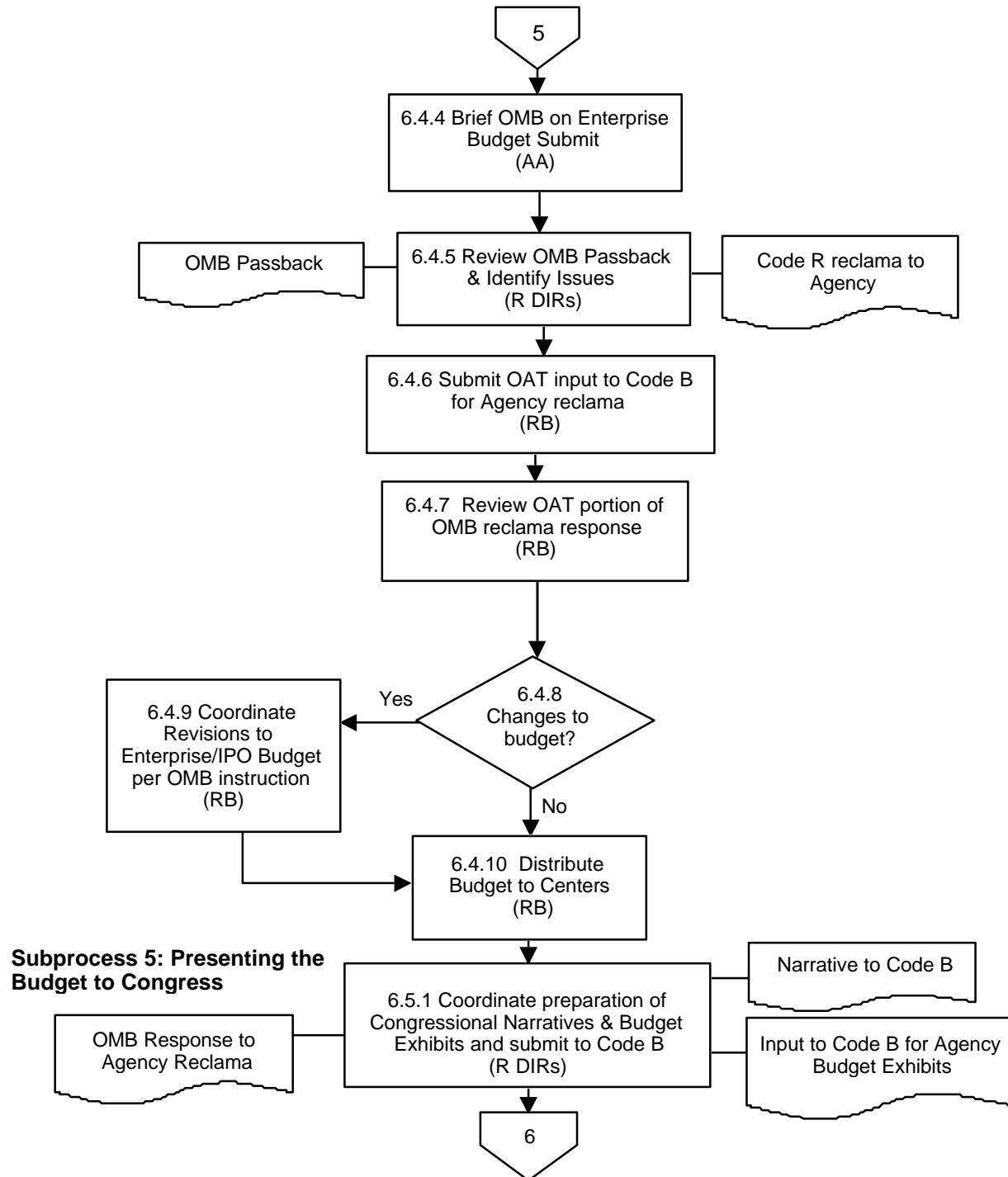
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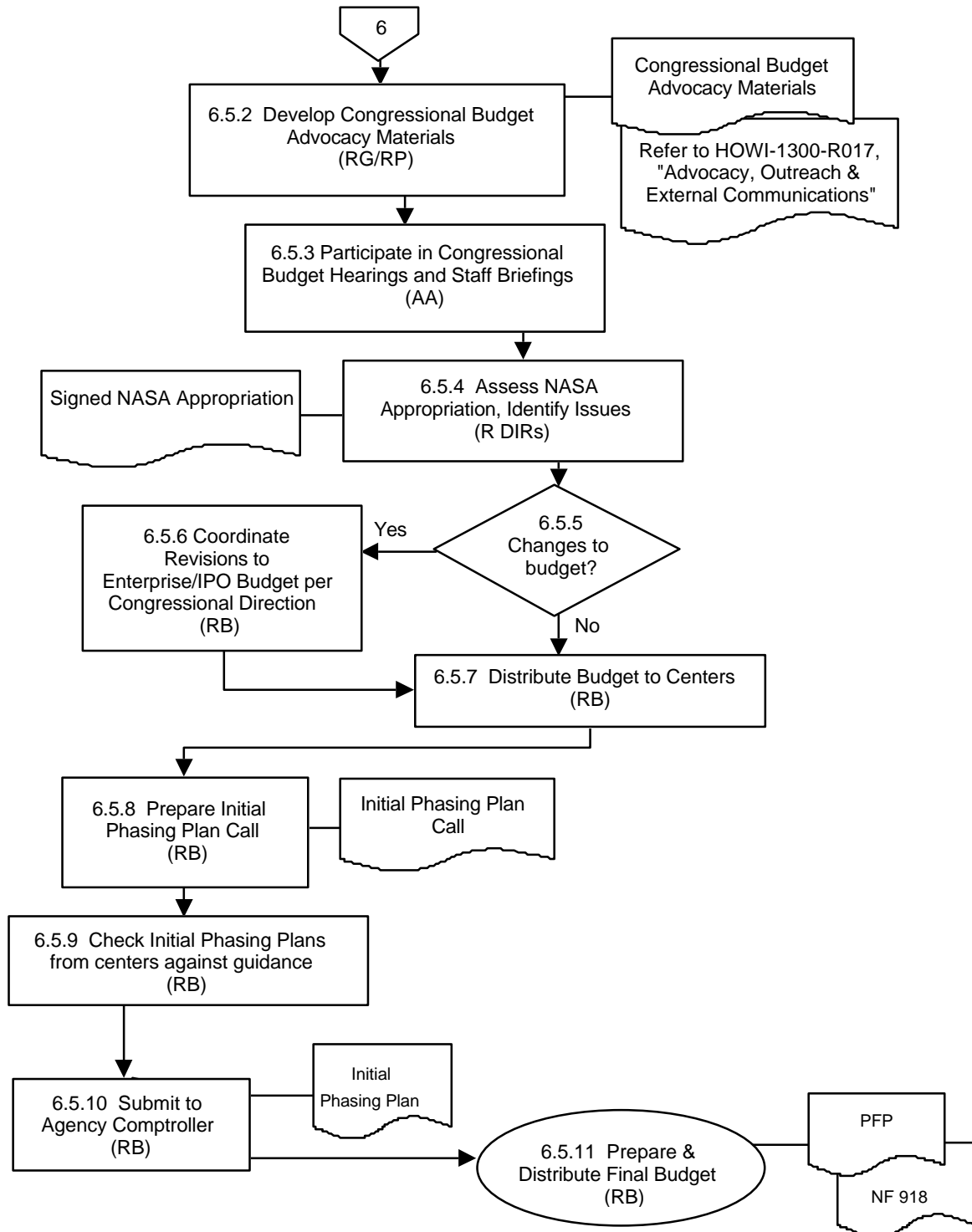
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Subject: Enterprise/IPO Budget Formulation



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Subject: Enterprise/IPO Budget Formulation



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Subject: Enterprise/IPO Budget Formulation

6. PROCEDURE

<u>Step</u>	<u>Actionee</u>	<u>Action</u>
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6.0	CODE	Budget Formulation Process Steps
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This process consists of five sub-processes, as follows:

1. Developing POP Guidelines and Guidance
2. Developing Program and institutional Budgets
3. Developing the Enterprise/IPO Budget
4. Presenting the Enterprise/IPO budget to OMB (for the Agency)
5. Presenting the Enterprise/IPO Budget to Congress (for the Agency and the Administration)

The process takes over a year, and is repeated on an annual cycle. For example, it started in January 1998 for the FY2000 Budget Submit to Congress in February of 1999.

Selected documents (including PFP and IPP) used in the budget formulation process are maintained in electronic format on the Code R server. Access is password protected with multi-level authorities. Anyone with access can read documents. Modification authority is limited to the Director level.

Version control over the budget documents is as follows: Code RB receives guidance (external or internal) to make a change to any of the documents referenced above. An official authorized to make changes accesses current version of the document (version "X") revises document per guidance and saves as version "X+1". Previous versions are moved to a separate section reserved for previous versions.

6.1

Subprocess 1: Developing Guidelines

6.1.1

RLT
DIR RB

RLT develops budget recommendations to propose to the Code R EB. Director, RB, integrates the collective input into a Code R proposal to the EB.

Responsible Office: Code RB

Subject: Enterprise/IPO Budget Formulation

- 6.1.2** DIR RB The Executive Board is briefed on the RLT recommendations at a kick-off meeting to begin preparations for the next POP submission, typically in January. The purpose of the meeting is to identify potential budget issues and proposed changes in budget guidance. These may include policy, strategic, programmatic, and political issues, which reflect OMB and congressional budget feedback. The AA then decides on an overall Enterprise/IPO budget strategy.
- 6.1.3** DIR RB Compile input from all sources, including the Administrator and the CIC, on anticipated budget requirements, probable cuts, and potential issues. Formulate recommendations conforming to AA strategy.
- 6.1.4** AA After conferring with staff, as appropriate, the AA decides on a budget in the PFP structure, and Code R issues programmatic and/or institutional guidance. Code R sends a request to centers to notionally distribute, by project and by Performing Center, the dollars and workforce resulting from the AA's budget decisions and provide feedback.
- 6.1.5** DIR RB The centers provide requested input (in the form of a Microsoft Spreadsheet); includes a description of the program outputs and schedule impacts of the current guidelines, and any other issues the Centers have that need to be resolved before the process can continue. RB integrates the Centers inputs (in the format of the OAT input to Agency Budget Call Guidance) for submittal to Code B.
- 6.2** **Subprocess 2: Developing Program Budgets**
- 6.2.1** DIR RB Code RB reviews the finalized Agency Budget Call and compares the final version versus the OAT submission in step 6.1.5. Code RB then briefs the RLT on major changes to the OAT submission.
- 6.2.2** EB The Lead Center Program Managers and Performing Center Institutional Managers present the current budget impacts and issues to Code R Management. The decisions of the AA are reflected in the approved decision packages, which are distributed to the Centers under a memo signed by the AA.

Responsible Office: Code RB

Subject: Enterprise/IPO Budget Formulation

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| 6.2.3 | AA | The AA determines if a new lead center is necessary for planning. If not, proceed to step 6.2.5. (In the normal case, lead center designation is taken care of in the Program Formulation Process.) |
| 6.2.4 | AA | If a new lead center is required, the AA determines the Lead Center for Budget Planning for the new program in accordance with the Program Formulation OWI (HOWI – 7100 – R007). The new program must provide guidance by Step 6.3.2 |
| 6.2.5 | DIRs
RB/RP/
RW | The centers, including RB for the headquarters budget, RP for the AAP, and RW for Commercial Technology, implement the approved decision packages developed from the EB meeting. Check for possible impacts, and prepare revisions to the center budgets. |
| 6.2.6 | DIRs
RB/RG
RP/RS
RW | Code R directors review revised Program and Institutional Budgets from the perspective of their responsibilities (e.g. tactical/political, goals, programmatic, and institutional); and recommend AA approval to the revised Program and Institutional Budgets. |
| 6.2.7 | AA | If AA approves revised budgets, then step 6.2.9. If changes are required, then step 6.2.8. |
| 6.2.8 | DD RB | If changes are required, Lead Centers are requested to work with Performing Centers to make changes, and resubmit to Code R. |
| 6.2.9 | DIR RB | Once AA approves revised budget, the IPO submits budget and workforce data to other program and functional staff offices. |
| 6.3 | | Subprocess 3: Developing the Enterprise Budget |
| 6.3.1 | DIR RB | Code R submits the Enterprise budget to the Agency Comptroller. |
| 6.3.2 | DIR RB | Code RB integrates inputs from all elements of the Enterprise, and prepares a briefing package for the AA. |
| 6.3.3 | AA | The AA briefs the CIC, SMC and Administrator. |
| 6.3.4 | DIR RB | If any changes are required, the action is returned to step 6.3.2 with guidance for resolving issues and resubmission. If no changes are needed, action proceeds to step 6.3.5. |

Responsible Office: Code RB

Subject: Enterprise/IPO Budget Formulation

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| 6.3.5 | DIR RB | RB prepares and submits a final PFP, initial phasing plan and NF 918 to Code BR. Each document has its individual format |
| 6.4 | | Subprocess 4: Presenting the Budget to OMB |
| 6.4.1 | DIR RB | RB reviews Agency's submission to OMB to identify any changes to the Enterprise submits. These are taken into account when preparing the briefing to OMB. |
| 6.4.2 | DIRs
RB/RG
RP/RW | The various sections of the OMB Narrative are completed by the appropriate division director, taking into account the requirements of the NASA Strategic Plan, Director Code RB assembles an integrated package for submission to Code BR. |
| 6.4.3 | DIR RB | RB coordinates preparation of the OMB Briefing package. |
| 6.4.4 | AA | The AA briefs OMB on the Enterprise Budget. |
| 6.4.5 | DIRs
RB/RG
RP/RS
RW | All division directors review the OMB Passback to identify issues, and develop recommendations for Code R input to Agency reclama. Director RB coordinates preparation of a reclama input package. |
| 6.4.6 | DIR RB | RB submits OAT input for Agency reclama to Code BR. |
| 6.4.7 | DIR RB | RB reviews OAT portion of OMB feedback to Agency reclama. |
| 6.4.8 | DIR RB | If there are changes to the OAT budget as a result of the reclama, step 6.4.9; otherwise, 6.4.10. |
| 6.4.9 | DIR RB | RB coordinates revisions to the Enterprise/Institutional budget with the appropriate HQ division(s). |
| 6.4.10 | DIR RB | RB distributes the budget to the Lead Centers. |
| 6.5 | | Subprocess 5: Presenting the Budget to Congress |
| 6.5.1 | DIRs
RB/RG
RP/RW | The appropriate division director, taking into account the requirements of the NASA Strategic Plan completes the various sections of the Congressional Narratives. In addition, any budget exhibits required for the Administrator's briefing/back-up package are prepared. Director Code RB assembles an integrated package for submission to Code BR. |
| 6.5.2 | DIRs
RG/RP | As delegated by the director, Congressional Budget Advocacy materials are prepared in accordance with H OWI -1300-R017, "Advocacy, Outreach and External Communications." |

Responsible Office: Code RB

Subject: Enterprise/IPO Budget Formulation

- 6.5.3** AA The AA participates in Congressional hearings and staff briefings on the Enterprise Budget.
- 6.5.4** DIRs Division directors assess the signed NASA appropriation and
RB/RG associated language to identify issues, and develop
RP/RS recommendations for a revised Enterprise budget.
RW
- 6.5.5** DIR RB If there are changes to the OAT budget as a result of the reclama, step 6.5.6; otherwise action proceeds to step 6.5.7.
- 6.5.6** DIR RB RB coordinates revisions to the Enterprise budget with the appropriate HQ division(s) as per congressional direction.
- 6.5.7** DIR RB RB Distributes the budget to the Lead Centers.
- 6.5.8** DIR RB RB prepares a phasing plan call memo in accordance with the standard format.
- 6.5.9** DIR RB RB checks phasing plan inputs from the Centers against the issued guidance.
- 6.5.10** DIR RB RB submits phasing plan input to Code B in accordance with the Agency format.
- 6.5.11** DIR RB RB prepares and distributes a final budget, which is summarized in the PFP and the NF 918. The PFP is an input to H OWI-7410-R002, "Budget Execution".

7. QUALITY RECORDS

<u>Record ID</u>	<u>Owner</u>	<u>Location</u>	<u>Media</u>	<u>Schedule Number and Item Number</u>	<u>Retention/Disposition</u>
Approved Decision Packages	RB	RB	Hardcopy	Schedule 7, Item 21.F	1 Year then Destroy
NF 918	RB	RB	Electronic	Schedule 7, Item 21.D	2 Years then Destroy
PFP	RB	RB	Electronic	Schedule 7, Item 21.D	2 Years then Destroy
IPP	RB	RB	Electronic	Schedule 7, Item 21.D	2 Years then Destroy
OAT Input to Agency Budget Call Letter	RB	RB	Hardcopy	Schedule 7, Item 21.F	1 Year then Destroy